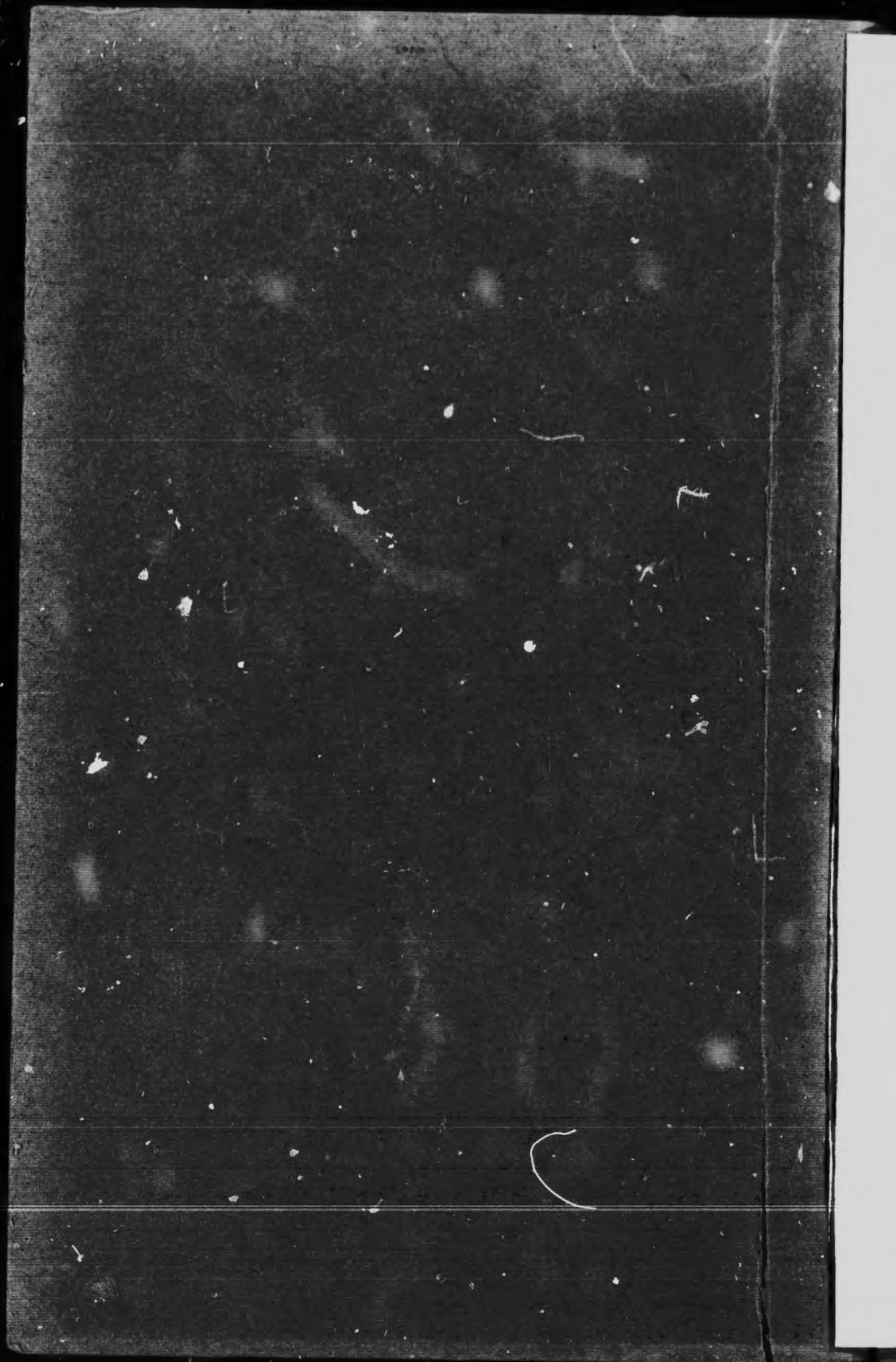


**Development of the Resources**  
**OF THE**  
**Canadian Middle West**



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# Development of the Resources

OF THE

## Canadian Middle West

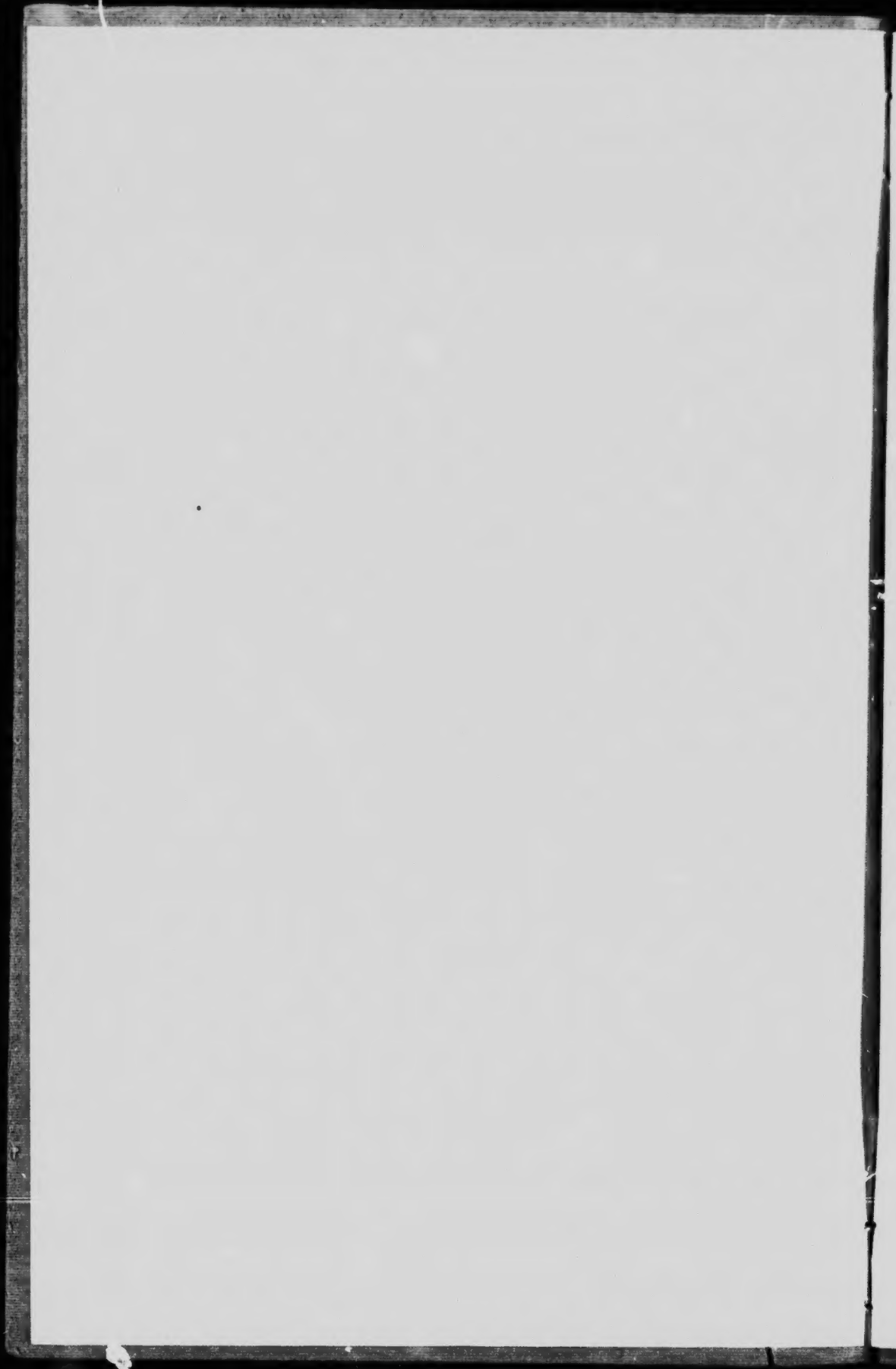


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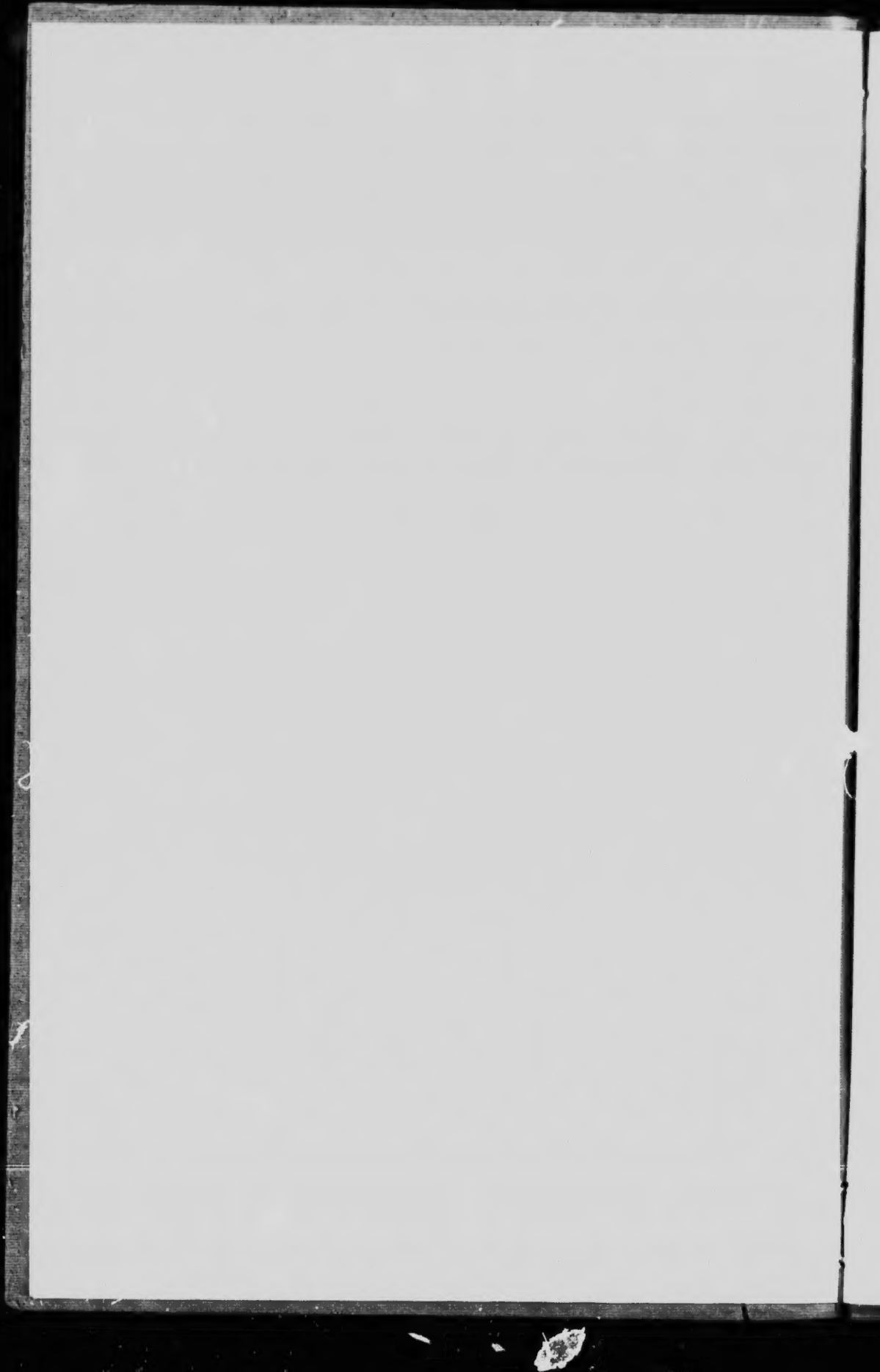


## Preface

A month before the outbreak of war the writer published a treatise on "The Economical Condition and Resources of the Canadian Middle West," the main purpose of which was to indicate some of the chief causes of the high cost of living and the financial stringency then prevailing, and to urge as an obvious remedy against the results of this disorder a general endeavor to increase largely the productiveness of the land by means of more intense and diversified and mixed farming in place of the general practice of a too exclusive wheat growing. And it was advanced that perhaps the best prospect of relief from the unemployment then prevailing in cities and towns—one of the many pernicious effects of the speculation in real estate that had demoralized the whole country and ruined its real business—would be found in the fostering of suitable local industries everywhere throughout the West intermingled with the farms and in close connexion with the farming community. This treatise has been attached by the Dominion Government "Board of Inquiry into the Cost of Living" to their Report to Parliament.

Four months later when some of the effects on us of the war were beginning also to be felt, the writer returned to this subject in a second paper dealing particularly with the new conditions occasioned by the war and their import for us, and this with some additional matter, he now offers for consideration, taking the occasion to propound a plan for action which he believes may prove an effectual remedy for some of the deplorable effects of our past economical errors.

The plan, he thinks, strikes at the root of many other evils that infest us, and if widely adopted, everybody at the same time doing their best, by economy, and, excepting those well able to spend, by the utmost frugality in living, to restore our lost sense of the value of money, while setting to work industriously to produce real wealth instead of the fictitious sort we have just lost, the hard times that afflict, and still more, threaten us, would be alleviated and their recurrence prevented.



## Development of the Resources of the Canadian Middle West

### I.

It is still very unlikely that Canada will be able to borrow money in Great Britain for some time to come. Private moneys may be sent here for investment in farm mortgages, but while the war lasts, and afterwards, all the money Great Britain can command will be needed for its own use. Money indeed is in plenty there for the moment, but this comes from lack of a normal healthy trade demand. For some months Government has discouraged all public and municipal work, there not absolutely needed for the relief of unemployment; it has refused to sanction any unnecessary expenditure, recommending local authorities to spend nothing; and finally it has prohibited all new capital issues in Great Britain, so absolutely stopping any inflow of money into Canada from England for development purposes except where urgently necessary. Moreover, all resources of investors there may be required by the Government: even British investments abroad being held in view as a means of carrying the war to a successful end. This means that no public nor municipal works whatever, no railway construction nor private enterprise, can go on with British money in the West; and there will be no relief to unemployment in that way, but rather an increase except here and there in the supply of military equipment. There is likely therefore to be a great liquidation of businesses and town real estate holdings here, unless this can be averted or arrested by a great harvest this year; and as trade falls off, unemployment and distress will increase. Then, though the financing for our war expenditure is being assisted by the British Government, the obligations of the Dominion Government are so largely increased of late while the revenue has decreased, dutiable imports having fallen off by one-third, that a great increase of taxation has been found necessary.

After the war so vast a debt will have been incurred in Europe that must be provided for, and there will have been such widespread devastation—so much property destroyed in Belgium and France—such waste of means and resources every-



where that must be restored—that constructive works and manufactures, food production and the import of foodstuffs and necessities, the rehabilitation of industries and commerce in every direction, will bring about a great revival of trade to supply the waste; but this revival will absorb all the money available, at high rates of interest. Money will be exceedingly scarce and dear, and only the proceeds of our own earnings in farm and other products will be available for Canada: none can be spared for her public or municipal purposes, for there will be no savings accumulated and continually accumulating in Great Britain, whence our main supply always comes. Savings there are diminished greatly, and what is left is being used up to aid in financing the war; for a long time after this is ended all will be absorbed in paying its cost and repairing its ravages. What then in Canada are we to do?

A growing trend is seen in the West toward the United States. Recently every year an increasing proportion of our loans has come from there. Provincial government and municipal borrowings from the States are increasing; and if the West cannot get money for municipal development and other like purposes from Great Britain we must perforce turn to the States. Only, loans obtained there will of course be sent us indirectly in the form of American manufactures and products, to the detriment to some extent of our own manufacturers and merchants in the East, unless such imports be effectually checked by the tariff.

We last year had a fairly good surplus in value though not in quantity of grain to export after supplying our own needs, and out of the proceeds we ought to have been able to pay for our imports and the interest on our indebtedness abroad. Did we at all succeed in so restoring the balance of trade against us? There was not near enough of the harvest to do this and keep us going until next autumn; and we are not likely to be as well off in that respect this year as last. It is certain that since our inability to borrow further began our adverse balance of trade has steadily grown until it amounts to hundreds of millions of dollars yearly. We have now much leeway to make up, and no one harvest, however bountiful, can do this; and being still unable to borrow, we must absolutely set about reducing our imports to some extent and increasing our exports to the utmost possible.



Imports cannot be stopped wholly. As we are accustomed to live, we cannot do without many things that must be imported; but supposing we should force ourselves to dispense with them, what would then become of much of our internal trade, and the multitudes dependent on it as importers and distributors with their clerks and helpers, their warehouses and shops? And could we reasonably expect to sell abroad what we have to export if we did not reciprocally buy from exporters there? Exchange is the very life of trade.

## II.

Our main resource must be to increase our exports. We have doubtless very valuable natural assets of one sort and another undeveloped everywhere in Canada, that might have been well forward in development by now if our chief attention had not been absorbed in speculative dealing with the land alone; and there is this land at any rate, which with a similar undivided attention given to its proper use might have been soon made to produce enough to make up the deficiency in our exports.

To do this effectually now must take as many years as have already been wasted. Our towns are full of unemployed workers, from causes anterior to and quite independent of the war, while our fields, nine-tenths of them, are lying idle. The owners of much of this vacant land are said to be holding it for prices that no one can afford to pay; and this keeping it from development cannot be prevented. However much a State may need the produce of its lands (as we do now), it cannot expropriate what is private property for cultivation by the people, nor confiscate any part of its value. It has been proposed to tax vacant, or what is called from non-use, "waste" lands particularly, and there might seem to be a rough sort of justice in this where the lands are held for long in the hands of mere speculators; but such partial confiscation must certainly affect others besides these. We cannot discriminate against some only of any class of property owners, however blamable, without injuring others whose holdings have been earned or otherwise fully paid for. Many thousands of acres in the three provinces are held by English investors who paid too high a price for them in the western land "boom," and now cannot sell them at all. When we mulct them further by a special tax we penalise English investments in this country. Property owners cannot be attacked particularly in any one direction without

shaking the security of property in every direction. By taxing vacant lands exceptionally we shall alarm investors, whose money we so much need, and a depreciation of mortgage securities must necessarily ensue. And if in throwing such a burden on the land we force a sale anywhere we shall also lower its price everywhere. An injury to property rights like this, however beneficial in purpose, would in its permanent ill-effects more than offset any temporary advantage to the State to be gained by forcing its vacant lands into use.

It would be better to proceed more considerately to bring these vacant lands into cultivation. The stimulus of higher prices to be obtained likely for a year or two to come for agricultural produce may be depended on soon to begin this. Already many in the West are looking for homesteads, while non-resident landowners themselves here and there are said to be preparing to cultivate. We should naturally turn to general Immigration here, but American settlers are the only likely immigrants now in sight: any effort to attract them in order to turn our prairies into farms is to be encouraged in every reasonable way.

The want we have felt recently of sufficient employment for all our city populations is an evident economic fault in these three western provinces, where but one-tenth of the available farm land is yet in use. Here are many millions of acres capable of sustaining a vast population, all vacant for want of men to cultivate them; while many thousands of men stand idly by, pinched with poverty, because, having had no suitable vocational training in that way they are unable to turn to with this source of supply at hand, and produce from it even the food they need. But the monetary obligations we are under—our adverse balance of trade—the vast sums lent us to develop the resources of the country, make it our paramount duty to find some means of putting this land to immediate productive use.

Apart from the consequences of the war, we are in a state of stagnant trade, with its resultant unemployment—a condition which from causes dealt with by the writer in a former paper—will abide with us until we amend. It was there shown that the crops we have produced were at the prevailing price, insufficient in quantity as well as value for our needs and obligations, and it was shown, in addition to the lack of any adequate

effort to increase production, what a great waste of our means and resources had been going on otherwise. The situation as to unemployment has been relieved this winter by the proceeds of the harvest and some strength has been imparted to a few lines of business by orders from the British and Canadian Governments for army supplies and equipment, and still a little more relief to the congestion comes from so many young men going to the war; but then all this though highly useful in tiding us over, is but a temporary relief.

"Back to the Land!"—but how to start our unemployed townspeople on the land, many of them not being used to farming? And how to make farm life pleasant and profitable in order to attract and keep them there? Farmers, like poets, are born, not made. A good farmer's aptitude comes usually from an hereditary practice of farming for one or two generations; and every family intending to settle in the West should get to know something of the national industry. At least some sort of apprenticeship with practical farmers is needful to begin with. We cannot expect any useful result from putting a man to a business he knows nothing of, and in farming a beginner would have to be helped along until he shall have learned something of the business and is able to go on alone. Then, after finding him an opening, whether by homesteading or purchase, wherein he might be able afterwards to gain a livelihood, sufficient money would have to be advanced him for outfit and current expenses, as a loan that he would be required to repay when his labor should have produced something. All which, if it is to be done at all, would seem to be a proper sphere for governmental initiative and help. The new farmer must, it would seem, be sustained and supplied with the necessary seeds, implements and live stock, under the supervision of qualified officials, in a sort of pupilage perhaps to agricultural colleges and government experimental farms, until he shall be able to manage without such assistance, and there is this to be said, that though he fail, the wages paid him will at any rate have gone to the development of the farm. But he must above all be made to feel that he has a substantial interest in making his holding pay; and as he sees this interest grow in value through the labor and care he bestows on the farm, it may be confidently expected he will become solicitous to make his possession permanent.

No "Back to the Land" movement, however, could have any valuable effect on our farm production for a year or two; it would take that time to get the new farmers at productive work. Meanwhile, with our exclusive wheat growing there would be little else but this preparatory tuition for them, though in mixed and diversified farming later on there would be much even in the winter, with the additional work of root-houses and live stock to attend to. Let them however start now preparing as apprentices for the work of diversified farming, but let us at present grow wheat for ready money and for food. What we want now above all things is to get more produce out of our land though it be but wheat. The present high range of prices for grain may last only for a year or so. Production everywhere outside the war zone will be stimulated by the extraordinary demand, but this will tend to lower prices, while a collapse may be counted on when the war ends. Until then, however, this coming year war prices will remain sufficiently high to stimulate wheat growing in the Canadian West, so affording farmers the needful means with the opportunity to improve their farming methods throughout. But side by side with this extension of wheat growing, we should be establishing a better system of diversified and intensive farming on smaller and more manageable holdings. And then the greater productiveness of our lands may inspire a renewed confidence in investors with surplus funds on hand, and attract such funds to farm mortgages preferably to less secure western town property.

When our soldiers return, another economic difficulty will arise. Many of them will be maimed or rendered unfit by habit to settle again to the humdrum course of ordinary civic life; and there may be here a necessity for such new congenial openings for them as farm life would offer. Outdoor life in some form these returned men of the camp and field must have. They or their families should be (as before in Canada) recompensed with grants of land, and it should be our patriotic duty in gratitude to afford them every feasible inducement to settle on their land instead of selling it. We have by all means to increase the productiveness of the farm, and we ought not to allow the lands we grant these soldier-settlers to fall into the hands of idle speculators, but must instead effectually help the grantees to gain a livelihood from them.

A great harvest this year alone will give life to trade. Nothing short of this will do it. Every energy should be strained at wheat growing. Only by more extensive and intensive wheat culture can we possibly do anything considerable to restore our adverse balance of trade, though side by side with that the promotion of better and mixed farming should go on. But care should be taken that we do not meanwhile too hopefully use up the next harvest before it is grown. It is to the interest of every business man and every owner of real estate, whether occupied or not, in town or country, to use every effort to procure an increase in the productiveness of the farm and to promote local industries as a market for farm products. Therein lies the solution of all our financial troubles.

Every acre of new land available this year should be put into wheat or oats as the readiest saleable crop. A sufficient acreage of arable land having been made available, every idle man in the three provinces should be set preparing in some way to increase our grain products. This for our own sake; and above that, while there is such fearful destruction going on in Europe, entailing misery and famine on millions—a condition that may last for years, it should be ardently felt as an imperative duty to use our privileged position as well to the utmost to produce foodstuffs to alleviate that misery and want. It is true, if we go on growing wheat on our old lands as we do now we shall do a little more to complete their improverishment, bringing them the sooner to the ruined state of the Dakota lands; still, the wheat had better be grown for a year or two more, even at that cost.

### III.

Our present agricultural methods bring us now a production that might easily be doubled. But to accomplish this, instead of a farmer holding as now a quarter section of land—the least they ever think of holding—an extent of area which no beginner is able to cultivate properly to the best advantage, he should perhaps hold but some fourth part of this, which would be a slightly larger farm than that deemed sufficient for each family of Israel by the Divine Lawgiver when the land was divided up among them. If every farmer held about forty acres of land, which he cultivated thoroughly well, with some part under glass, his produce could be made much to exceed the average produce of a 160 acre farm as now cultivated, and would be

sufficient to maintain his family in comfort. Western Canada, it is true, is not the Land of Promise; every forty-acre plot in it is not capable of intense and mixed farming; yet where the land is favorable if four families instead of one were grouped on every quarter-section, whether as joint purchasers or homesteaders, they each might hold sufficient land that could be used in common for pasturage, hog-runs, and the like. And such a community in farming could sell their produce in co-operation; while the small size of their holdings would bring them so much nearer one another than now that social intercourse and amusement, with schooling and religious services in common, would be much easier.

Further, besides the farming class proper, a number of townspeople might, in co-operation, acquire together a forty-acre plot of land nearby and cultivate it as an aid to house-keeping and a pleasant and healthful employment for their families in the summer, who would so be learning and practising farming, the foundation of all our industries in the West, enabling their children afterwards to pursue that national industry if they should see fit, and improving at the same time a family property that may stand them in good stead in times of difficulty or misfortune.

Such farm settlements as those advocated, scattered throughout the country, would foster the growth of local industries, to be carried on in every neighborhood by townspeople that are unapt for or do not like farming. It is of no use producing garden stuff, poultry, eggs, milk, and similar perishable foodstuffs, far from cities and towns where there is no market; but such a market of consumers would be supplied by the denser population of these local industries intermingled with the farms. A stimulus to some of our local industries may for a time be given by the extraordinary demand for war supplies, and this will be good as a temporary assistance, but more as a valuable impetus to the many small industries everywhere that want only a little of such encouragement to warm them into vigorous life. In this direction, in making for ourselves many articles of everyday use, in the development of natural resources, and in the improvement of agriculture, will lie for us a share in the prosperity to be expected on this continent after the war. Well-chosen small local industries are everywhere the best preventive against worklessness in a neighborhood.



#### IV.

The outstanding feature of the prairies is their treelessness. The forests to the west and east have no great exportable value; and there are no dense forests to the far northward as is sometimes imagined. While there are vast stretches of the best arable land in the prairie provinces there is also much that in parts is dry and hungry, a waste not dissimilar in character to what ancient Germany was; and we, with some of the German "kultur," limiting the term to its proper sense of natural as distinct from spiritual efficiency, might in time make the whole of these provinces a second industrial Germany.

Farmers should plant wind-breaks in plenty, of a sort to suit the soil. If properly planted, the earth about being pulverized by dynamite, if need be, and enriched, trees of a suitable sort would grow everywhere on the prairies. The soil of the prairies has been so compressed by glaciers and heavy bodies of water for many ages that trees planted by man cannot make room for their roots and find subsistence, as may be seen in the small native poplars about Winnipeg, that die off in ten years or so. Nature will do this planting on the prairies in time, but she has not yet had time sufficient since the disappearance of the glaciers and lakes to do her customary work of providing a covert for the land. Trees growing all over the farm would add much to the pleasantness of country life, and besides, by condensing the atmosphere and then exhaling it, would avert drought, while the cultivated land would also condense dews and fogs into moisture. If the land were properly cultivated, and the moisture of winter and spring conserved in it by continual harrowing and packing during the first growth, danger of drought and frost would be reduced greatly or averted altogether. But a farmer trying to cultivate too much land, as most beginners at wheat growing do, cannot accomplish the continual harrowing and packing necessary so to guard against those calamities.

With good intensive farming there would be no need for doles to farmers such as the free distribution of seed grain. What they need is the betterment of farming conditions, increased fertility of soil and the use of labor saving machinery, so as to greatly increase the yield of grain. Distance from market can be overcome only by local industries in many small towns. The greatest economic problem in practical farming will be

solved when farm help can be employed all the year round, and when anyone able and willing to work the soil can easily get control of it, free of permanent incumbrance. Agriculture above all, is the master key to our prosperity, and agriculture may be promoted best, side by side, with Industrialism. The interests of both, with us, are one.

It is hopeless to expect to see any extensive manufacturing among us unless through the growth of the small local industries, spoken of at large in my former paper, which, grouped in many towns throughout the country, would vastly promote the prosperity of the farmer by affording him accessible markets. But our population must be very largely increased—there must indeed be a surplus of labor—before we can get out of the initial stage of industrial development and manufacture on any large scale. A prior condition of success in manufacturing on such a scale would be the discovery of some considerable metalliferous mining district on the outskirts of our farming lands, but the nearest thing of the kind we have here are iron ore deposits some 350 miles north of Winnipeg, which are not available yet.

For natural resources apart from farm products, they are to be found of various sorts in abundance everywhere throughout these provinces. We might increase our exports of fish, which will always be of steady though minor importance, and of minerals. All the undeveloped mineral resources of the three provinces, however, belong to the Dominion Government. But it is much to be wished that the provincial governments would cause a careful inventory of all our resources to be made by competent persons. In the three provinces, all along the railways, are millions of tons of peat fit for manure, that, if the farmers do not want it (though the land needs it) could easily be exported; and sermounding that is surface moss (the original of the underlying peat) technically called litter, which, when dried and pulverized, is invaluable for preserving the potash contents of manure. It is then highly absorbent, while without it, when common straw is used, nine-tenths of the potash is lost.

Above all, we should turn the excellent educational equipment we have more largely towards a vocational training of the young. In time this would to a great extent do away with unskilled labor and be a means of relieving any particularly con-

gested trade. And in accustoming and adapting people to farm life we should be promoting our greatest national industry of agriculture, our vacant lands would gradually be brought into cultivation, and our aim to increase the productiveness of the land, so essentially necessary for us to do, would be in a fair way to achievement. And if, in doing this, we can afford to every industrious citizen a means to secure a home in town or country, fostering habits of thrift and providence for the future among all, that will enable even the humblest to shelter a family in the comfort and security of a permanent home—the firmest support of homelife—we shall be establishing the well-being of the nation firmly as on a rock.

The wretched, years ago, touched with the miseries of the very poor, and with the hard struggle of unobtrusive poverty to maintain their homes, considered in what way both might be most effectually helped without injuring their character, their self-respect and natural dignity. Corporate alms, he saw, is invariably devoid of feeling, lacking the saving grace and healing of the sympathetic personal touch. The effect of unsympathetic relief is to be avoided by all means. If the very poor are to be saved from falling into total abjectness, it is necessary rather to try and arouse to life or quicken in them the innate dignity of humanity that no human being is without, as well as to instil into them habits of thrift; and such an improvement in their lives can best be accomplished through their own efforts exercised in homes of their own which they themselves are making, and making fit and worthy.

With all this in mind, the prevalence of distress among us, attended fortunately with the sure means of relief that these prairie provinces offer in their vast extent of rich and productive yet uncultivated land, the writer evolved a plan which he now proposes in the hope that it may be an aid in the solution of the problem before the country. The plan fully covers the acquisition of homes for townspeople and further provides for the settlement of qualified people without much means on small farmsteads; while it may foster local industries by facilitating and securing the tenure of suitable premises; for equally with the farming communities, as contributory to their prosperity, the small industries intermingled with the farms throughout the country should be helped to attain a solid foothold.

The plan, in brief, has in view the affording to all an easy means to acquire and pay for a dwelling house or farmstead, and of so making home-life secure for the permanent welfare of the family. It would incidentally have the effect of encouraging early and provident marriages; and if its use were extended still more widely it could become the means of establishing homesteads common to a family so that no matter what dire temporary distress might be experienced by a member he may gain courage and rehabilitate himself under the shelter and protection of his own kindred.

### Introductory to Plan

The plan is not so suitable to large wheat farms as to small stock farms near accessible markets. It may be made to provide farmers with necessary money for fences, lumber and implements, and other requirements for farm development, and what is of no less importance, it provides a method of repaying such advances. If farmers had a settled system of repaying their mortgage loans in easy instalments as under this plan, bankers could feel more secure in advancing money for current expenses and seeds. Under the plan there would be the comfortable reflection always present to the farmer that every payment made was a part payment for his home or farmstead. This would encourage thrift, whereas with a mortgage payable at a near date, impossible to comply with, the thought is ever present that the premises really belong to the mortgagee, who may distrain or foreclose whenever his dues are not paid up. It is a radical error to lend a man money that he may spend or invest without making provision for its repayment—a defect which is avoided where he is required to repay at regular intervals part of the loan besides the interest. For he soon realises that his possessions are thus increased and constantly go on increasing while he goes on repaying.

The present system of lending money on mortgages for a set term of years without respect to the earning power concerned appears to be an error, where homes or farmsteads are concerned. A banker will not, apart from general credits, lend money unless he see a source from which the loan can be repaid at maturity; and what possible prospect or means can there be in the case of a mortgage given by a small farmer or a

salaried man of its being repaid at maturity? In fact, loans on homes and farms become a permanent dead-weight where provision is not made for paying them off from earnings, on terms within the means of the borrower. How is a debtor without realised capital to repay such a loan at the end of short term without reborrowing? The Association proposed would take account not only of the value of the property concerned, but also of the circumstances of the borrowers and their probable ability to pay. The usual five-year term is too short; evidently the surplus profits of farming cannot overtake and replace the capital expenditure at that rate. Nor need it; for farm land properly cultivated and sustained with fertilisers should retain its fertility, not deteriorate by use like a manufacturing plant.

Further, the security of all farm mortgages is now seriously attacked by moratoria in the several provinces, by special taxes on unoccupied lands, by other government taxes and liens, the latter notably for seed grain—all which take precedence even of a first mortgage and so threaten its value. All this, however, may be borne with and overcome if the tie between borrower and lender be made a more personal one, accruing largely to the benefit of the farmer, as under this plan. For the investor it would be safer that his money should be repayable gradually, beginning early, while his investment, with any re-investment, made through the proposed Association would still have the desirable feature of being a settled one.

### Abstract of Plan

It is intended as a working plan for the carrying on of a homestead Association to enable members each to acquire a homestead—a house, a plot of land, or a farm—by purchase, on the cheapest possible terms and by the easiest mode of payment.

The primary object of the Association is to enable its members to secure homes or homesteads for their families, and, as contributing to this, the Association is to serve as a depositary for savings, even in small amounts, to be applied solely, when a member is ready for the investment, in acquiring the property he selects.

The members of the Association are to begin by paying into its funds a sum equal to one dollar or optionally 80 cents a

month for every \$100 they are likely to require afterwards for the purchase of property. This \$100 is called a share of stock, and the amounts so paid in on their shares by the members form the normal working capital of the Association. But in order that members may be supplied with the money they need for the purchase of property when they need it, after a few instalments, in number according to circumstances, have been paid on their stock, the amount they require is to be advanced them.

A member, when entering, may subscribe for any amount, from \$100 upwards, in his or her own name, or the names of husband and wife or either, or of minor children. On obtaining from the Association the amount required, such various family subscriptions may be combined in one loan. An object of the Association is to promote the habit of saving at an early period for investment later, when the need of a permanent home is felt; and the savings are convertible into such an investment at any time. If, for example, one should have been paying in \$7 or \$10 a month, the stipulated payments on \$1,000 stock, and then should wish to borrow \$4,000, what he has paid in, say 24 months on \$1,000 stock, can be converted at once into about 6 months instalment payments on \$4,000 stock, interest being adjusted.

The borrower may repay this loan as may be most convenient to him at the rate of either \$1.60, \$1.40, \$1.20, \$1.00 or 80 cents a month, at his option, for each \$100 borrowed, which rates cover the monthly instalment he began with (which may be thus actually reduced in amount, in certain circumstances, after he has purchased a property, instead of being burdensomely increased, as is usual) and they include also in every case part repayment of the loan with the interest in full.

With respect to farm lands and homesteads, however, in lieu of the stated monthly instalments, half-yearly payments will be arranged.

These rates are the utmost that a borrower can be called upon to pay under the plan, and the number of payments diminishes from the highest point—the first month—proportionably with every additional instalment that is paid into the funds of the Association before borrowing.

A member's original subscription is adjustable to any amount borrowed and any rate or term of repayment. Thus,



for example, a member having paid \$5 monthly, the instalment on a subscription of \$500 for 37 months, may then borrow \$1,000 by subscribing for \$500 more—making \$1,000 in all. This will be adjusted with what he has paid in, and he may repay the loan at either of the stated monthly rates—\$16, \$14, \$12, \$10, or \$8.

It will be seen that the plan affords a means of so advantageously investing savings that in early years, while people are best able to save, they may be virtually paying for homes they need acquire only when ready, buying at their own time, when opportunity serves, and so on the best possible terms.

A primary purpose of the Association being, after enabling the members to acquire homesteads for themselves, then further to secure them in possession as firmly as possible, notwithstanding any adverse circumstances that may arise, the plan of the Association has been so framed as to be adjustable also to meet any further changes in the means and needs of the members. For instance, suppose a member subscribes for \$1,000 and pays up \$10 a month to 37 months, and then borrows \$1,000 which he elects to repay, and does in part repay, at the rate of \$16 a month. But after making 18 payments at this rate, he finds that through altered circumstances he cannot continue to repay at so high a rate—that he can repay only at one-half the rate, or \$8 a month; then, if the property concerned has been kept in good repair, the account will be readjusted, and the borrower instead of continuing to repay at the rate of \$16 a month need pay only \$8 a month.

Thus, under this elastic plan, the borrower is assured against any loss on his investments while he is able to pay at least at the rate of a rental on his property.

Moreover, to take an extreme case, if from misfortune a borrowing member or his family find themselves absolutely unable for a time to continue payment of their instalments, the Association may at discretion grant an extension of time for these payments, and interest for the extended term will be added to the debt and made payable by a sufficient number of additional monthly instalments.

And, finally, to obviate what is usually, perhaps, the greatest obstacle to the acquirement of a home, if a member after buying a house or land and repaying part of the loan changes his place of employment, and must for that, or any

other cause, sell his homestead, and is able perhaps to sell it only to one like himself, without realised capital, the loan may be renewed to the original amount, if in the opinion of the Association, the property concerned is still of sufficient value and other conditions are equal, the new purchaser taking the place of the original member in the Association. And so the latter is enabled to dispose of his interest in the property without the loss that usually occurs from a forced sale.

It is stipulated that all moneys received by the Association shall be deposited with a chartered bank, and this fund shall be drawn on only upon deposit of title deeds or similar securities with the bank in exchange therefor. But at the end of each month the Association may draw from this trust fund for expense account a sum limited to the monthly proportion of a small annual percentage on the total amount it shall then have advanced.

No deed of property is to be given or allowed borrowers, but they will receive a qualified Agreement of Sale, the title remaining with the Association until all the stipulated payments have been made. The reason for this is that it costs on an average \$200 or \$300 to foreclose a delinquent mortgage, an expense that must be avoided.

A main purpose of the Association being to secure their homes or farmsteads to borrowers and their families with the utmost possible certainty, in order to which liberal terms are given, in all cases where feasible the wife or husband and eldest son or daughter or another near relative to represent any minor children, may be required to join as a principal in the deed of obligation given to the Association.

In every case a borrower will contract to pay in all only a definite number of instalments, which will include interest, clearly stated, whose amount when paid will discharge all indebtedness to the Association in full.

J. H. MENZIES, F.C.A.

Bank of Nova Scotia Building, Winnipeg.  
March, 1915.

*Correspondence Invited.*

